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CENTRAL INTELLIGENCE AGENCY

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SOURCE Newspapers as indicated.

INDUSTRY ADVANCES IN COMMUNIST CHINARECENT INFORMATION RECEIVED - Sun Ching Pao, 10 Sep 49

Ch'ang-sha 7 September (NCHA) -- Before the Japanese invasion there were 333 knitting concerns in Ch'ang-sha. Only 58 were operating when the Japanese surrendered and almost none when the city was liberated by the CCP. Now with the aid of the Trading Company, which has been providing yarn at 30 percent off the market price, more than 30 companies have resumed work and ten more are getting ready to resume operations.

Han-k'ou, 8 September (NCHA) -- More than 30 out of 40 industrial plants representing various lines from emery cloth to flour milling have resumed operations in Han-k'ou since the liberation. Some of these are joint state-private industries.

Ch'eng-te, 8 September (NCHA) -- Industrial activity since the liberation of this city in November 1948 has become two and one-half times what it was during the KMT regime. There are now 16 ironworks, 46 flour mills and other factories, and 225 handicraft industries. The rapid recovery of industry in this city has been due to two main factors: (1) the CCP authorities made liberal recovery loans, and (2) the rapid development of agricultural activities quickly created a demand for agricultural implements and consumer goods for the agricultural community. Honest tax collections have made it possible to lower prices and thus accelerate demand.

NORTHWEST CHINA REORGANIZES FACTORIES -- Wen-hui Pao, 11 Sep 49

Hsi-an, 8 September (NCHA) -- The Yung-hsing Industrial Company, largest of the KMT bureaucratic enterprises in the Northwest, has been reorganized under the name of the Northwest People's Textile Development Company. Its first objective will be to bring its production to the prewar level in the shortest possible time and to exploit to the greatest extent the rich cotton and wool resources of the Northwest and to establish dyeing industries.

The company will operate three weaving mills, one packing factory, and one flour mill. The three weaving mills were formerly known as the Hsien-yang Textile

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Company, the Yung-hsing Textile Company, and the Yu-i Churj-ching Textile Company. The packing factory, now known as the Northwest People's Packing Factory, was formerly the Hsien-yang China Packing Company, and the flour mill, now known as the Northwest People's First Flour Mill, was formerly known as the Ts'ai Chia-p'o Active Spirits of Wine Company, a subsidiary of the Yung-hsing Company.

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